

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company Peerless Camera Company Limited	Company number 01294280
In the High Court of Justice, Chancery Division [full name of court]	Court case number 948 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

We (a) Trevor John Binyon of Opus Restructuring LLP, One Euston Square, 40 Melton Street, London, NW1 2FD and Timothy John Edward Dolder of Opus Restructuring LLP, One Euston Square, 40 Melton Street, London, NW1 2FD

\* Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

(b) Insert date

A copy of these proposals was sent to all known creditors on  
(b) 8 April 2015

Signed \_\_\_\_\_  
Joint Administrator

Dated 8 April 2015

### Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Richard Shaw	
Opus Restructuring LLP, One Euston Square, 40 Melton Street, London, NW1 2FD	
	Tel 020 7268 3331
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

THURSDAY



\*A45F5IY3\*  
A17 16/04/2015 #46  
COMPANIES HOUSE

Our ref PE00017

Your ref

8 April 2015



**TO ALL KNOWN CREDITORS AND MEMBERS**

Opus Restructuring LLP,  
One Euston Square  
40 Melton Street  
London  
NW1 2FD

Dear Sirs

(t) 020 7268 3333  
(f) 01908 255 700

**Peerless Camera Company Limited ("the Company") - In Administration**

I refer to my letter dated 23 February 2015 advising of my appointment as Joint Administrator on 17 February 2015, together with Timothy John Edward Dolder

The primary function of an Administrator is to achieve the following hierarchical objectives,

- (a) rescuing the Company as a going concern, or
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors

A creditors' meeting will be held by correspondence, details of which are attached on **Form 2 25B**. The purpose of this meeting is to consider the Joint Administrators' Proposals and, if thought appropriate, to establish a committee of creditors. Should you wish to vote at the meeting, please complete and return your completed Form 2 25B, together with your proof of debt by **12 noon on Monday, 27<sup>th</sup> April 2015**.

Please find attached my Proposals and report to creditors. Any creditor, or group of creditors of the Company whose debt(s) amount to at least 10% of the total debts of the Company may, within 5 business days from the date of the Joint Administrators sending out a resolution or Proposals, require a meeting of creditors to be summoned in accordance with Rule 2 48(7) of the Insolvency Act 1986 (as amended).

Should you have any queries, please contact Richard Shaw at this office

Yours faithfully  
For and on behalf of  
Peerless Camera Company Limited - In Administration

  
**Trevor John Binyon**  
Joint Administrator

*Authorised to act as an Insolvency Practitioner in the UK by the Association of Chartered Certified Accountants*

*The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents for the Company without personal liability*

Enc

**THE ADMINISTRATORS' PROPOSALS  
OF PEERLESS CAMERA COMPANY LIMITED  
(IN ADMINISTRATION)**

**A) COURT DETAILS**

High Court of Justice 948 of 2015

**B) REGISTERED NAME, ADDRESS AND NUMBER**

Company name	Peerless Camera Company Limited (in administration) (‘the Company’ or ‘Peerless’)
Previous name	None
Other trading names	None
Registered Number	01294280
Date of incorporation	14 January 1977
Trading address	32 Bedfordbury, London, WC2N 4DU
Current registered office	One Euston Square, 40 Melton Street, London, NW1 2FD
Former registered office	32 Bedfordbury, London, WC2N 4DU
Principal trading activity	Motion picture film effects and facilities

**C) ADMINISTRATION APPOINTMENT DETAILS**

Trevor John Binyon and Timothy John Edward Dolder were appointed Joint Administrators of Peerless Camera Company Limited on the 17 February 2015 by the director of the Company

The functions of the Joint Administrators are being exercised by either or both of the Administrators acting jointly or alone

**D) COMPANY APPOINTMENTS AND SHAREHOLDINGS**

**Directors** (including those within last 3 years)

	Appointed	Resigned
Kent Houston	19/01/1992	n/a

**Company Secretary**

	Appointed	Resigned
Anna Marie Houston	05/08/2010	n/a

**Shareholding**

Kent Houston	75 ordinary shares of £1 each
Terence Gilliam	25 ordinary shares of £1 each
Authorised	100 ordinary shares of £1 each
Allotted, called up and fully paid	100 ordinary shares of £1 each

**E) CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF AN ADMINISTRATOR**

The Company was originally established in 1976 to service the animation industry. As industry demands changed during the 1990s, the Company became directly involved in digital imaging technology with the installation of Europe's first flame compositing system. Peerless was considered to be one of the most established visual effects houses in Europe. The Company offers a range of VFX services to the global feature film and broadcast industry. From initial concept and design through supervision to final execution of shots, Peerless had a pool of highly experienced talent, producing exceptional work to match the creative vision of their clients. The Company was managed by visual effects supervisor, Kent Houston and head of visual effects, Drew Jones. However, Kent Houston is the sole director of the Company. He is also a 75% shareholder in the Company with the remaining 25% of shares held by Terence Gilliam.

The Company had suffered losses per the management accounts of approximately £311,500 for the period ending 28 October 2014. In addition, the Company had received a demand from HM Revenue & Customs ('HMRC') for unpaid PAYE/NIC of circa £491,000 which it was unable to pay. As such the Company was deemed to be insolvent and there was a real prospect that HMRC would issue winding up proceedings against the Company.

Following the initial meetings in October 2014, Opus regularly liaised with both the director and the Company's bankers, Barclays Bank Plc ('Barclays'), to ascertain an accurate summary of the Company's financial position. Barclays hold a fixed and floating charge over the Company's assets. At the date of my appointment it is estimated that there is no outstanding liability to Barclays. Prior to my introduction to the director in October 2014, I confirm that neither my partner, Timothy John Edward Dolder, nor I had any prior involvement with the Company or its director.

On account of having received the notice to pay from HMRC, the Company explored several options, details of which are provided below. It was considered that the most beneficial option available to the Company was that of a pre-pack sale as the business was viable with many promising contracts in progress. The full extent of the sale of the business and assets of the Company was disclosed to creditors in accordance with the Statement of Insolvency Practice 16 ('SIP 16') in our letter to creditors dated 23 February 2015.

As previously advised, the pre-pack has as expected stopped the dissipation of the client base and allowed for the transfer of 16 employees who, in the event that a pre-pack could not have been achieved, would have been made redundant and the Company would cease to trade. The director of the Company is the most significant creditor and supported this action.

Financial statements for the period to 31 December 2013 have been submitted to the Registrar at Companies House, a summary of which are detailed below.

**Profit and loss account**

	For the year ended 31/12/2013	For the year ended 31/12/2012
Turnover	942,307	1,690,021
Cost of sales	<u>(588,062)</u>	<u>(1,285,609)</u>
Gross profit	354,245	404,412
Administrative expenses	(298,349)	(339,491)
Operating profit	55,896	64,921
Interest payable and similar charges	<u>(22,754)</u>	<u>(18,944)</u>

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**8 April 2015**

<b>Profit on ordinary activities before taxation</b>	33,142	45,977
Tax on profit on ordinary activities	-	-
<b>Profit for financial year</b>	<u>33,142</u>	<u>45,977</u>

**Balance Sheet**

	For the year Ended 31/12/2013	For the year Ended 31/12/2012	For the year Ended 31/12/2011
<b>Fixed assets</b>			
Tangible assets	<u>896,001</u>	<u>935,505</u>	<u>993,446</u>
<b>Current assets</b>			
Stocks	90,062	-	122,250
Debtors	342,396	486,091	59,219
Cash at bank	<u>28</u>	<u>28</u>	<u>275</u>
	432,486	486,119	181,744
<b>Creditors</b>			
Amounts falling dues within one year	<u>(1,510,087)</u>	<u>(1,456,880)</u>	<u>(1,307,593)</u>
<b>Net current liabilities</b>	<u>(1,077,601)</u>	<u>(970,761)</u>	<u>(1,125,849)</u>
<b>Total assets less current liabilities</b>	(181,600)	(35,256)	(132,403)
<b>Creditors</b>			
Amounts falling dues after more than one year	<u>(942,742)</u>	<u>(1,122,229)</u>	<u>(1,071,059)</u>
	(1,142,342)	(1,157,485)	(1,203,462)
<b>Capital and reserves</b>			
Called-up equity share capital	100	100	100
Revaluation reserve	633,027	633,027	688,132
Profit and loss account	<u>(1,757,469)</u>	<u>(1,818,164)</u>	<u>(1,891,694)</u>
<b>Deficit</b>	<u>(1,124,342)</u>	<u>(1,157,485)</u>	<u>(1,203,462)</u>

**F) STATEMENT OF AFFAIRS**

We have requested the director to prepare a summary of the Company's estimated financial position as at 17 February 2015, which is known as a Statement of Affairs, but this has not yet been provided. We understand that the reason for the delay is due to the sole director, Kent Houston currently being out of the country.

We have prepared an estimate of the financial position of the Company as at 17 February 2015 from the records of the Company, which is attached at **Appendix A(1)**, together with a list of names and addresses of all known creditors and the amounts of their debts as **Appendix A(2)**. By way of a comparison, attached as **Appendix B** is a copy of the receipts & payments account for the period from 17 February 2015 to 8 April 2015.

**G) DETAILS OF AN ORDER LIMITING DISCLOSURE**

No order was requested or required, in respect of disclosing information applicable to the Administration.

**H) COMMENTS ON THE STATEMENT OF AFFAIRS**

**ASSETS**

**Marketing**

With the assistance of Wyles Hardy, consideration was given to the proposed methods of marketing the business for sale, whether discreetly or on an open market campaign in advance of a pre-pack sale to Peerless Digital Imaging Limited ('PDI'), a company connected to the director.

In light of the advice received from Wyles Hardy and on balance, it was considered that any form of external marketing could lead to a further demise to the overall business of the Company. The rationale for this is that the target market is highly specialised and with the director, Kent Houston, essentially being the 'goodwill' and 'work generator' without whom there is little to no business. It was advised that, however discreetly the attempt to market Peerless it was likely that the Company's affairs would become known to its competitors and customers, resulting in a loss of reputation, contracts and further demise of the business of the Company.

**Chattel Assets & IPR**

Wyles Hardy was instructed to provide an opinion of the value of the Company's assets. The following valuation was received,

Assets	Market Value In-Situ	Market Value Ex-Situ
Digital VFX Post Production Equipment	£53,400	£28,725
Office Furniture & Equipment	£2,600	£1,275
Website & Domain Name	£7,000	£nil
Continued Use of Permanent Software Licences	£7,000	£nil
	<b>£70,000</b>	<b>£30,000</b>

A conditional sale of the assets completed on 18 February 2015 and the assets were sold to PDI. We confirm that PDI is not connected to the secured creditor. As previously advised, DMH Stallard Solicitors was instructed to assist the Joint Administrators with the sale and purchase agreement.

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The assets were sold for the following amount

<b>Assets</b>	<b>Market Value In-Situ</b>
Digital VFX Post Production Equipment	£53,400
Office Furniture & Equipment	£2,600
Website & Domain Name	£7,000
Continued Use of Permanent Software Licenses	£7,000

The consideration for the sale is to be received by way of deferred consideration and is payable as follows -

<b>Amount</b>	<b>Description</b>	<b>Due Date</b>	<b>Status</b>
£17,501 00	Asset Purchase	23/02/2015	Received
£ 7,261 24	Rent Apportionment	23/02/2015	Received
£17,501 00	Asset Purchase	17/03/2015	Received
£17,501 00	Asset Purchase	17/04/2015	Not Due
£17,501 00	Asset Purchase	15/05/2015	Not Due
£ uncertain	Final EBITDA Payout (25%)	17/02/2016	Not Due

As you will note from **Appendix B** to this report, the funds received to date have been accounted for in the receipts and payments account

#### **Rent Apportionment**

PDI has paid the Company £7,261 24 for occupation of the premises at 32 Bedfordbury, London under a bare licence until 31 March 2015. This was done in order to allow agreements to be reached between PDI and the landlord regarding the assignment of the lease. A further review of progression in this regard is being conducted.

#### **Cash at Bank**

This represents the closing balance of cash held at Barclays at the date of appointment of the Joint Administrators. Requests have been made to close the bank accounts and we expect to receive the closing balance shortly.

#### **Book Debts**

The estimated to realise figure has been discounted to reflect a significant bad debt of circa £137,000 due from The Hot Potato Limited. The Hot Potato Limited is in creditors' voluntary liquidation and we have put the Joint Liquidators on notice of our interest for dividend purposes. This has been acknowledged. Based on a review of the Joint Liquidators' latest progress, report it would seem that dividend prospects are unlikely.

The remaining book debts are considered recoverable and will be collected by PDI on behalf of the Peerless.

#### **Unbilled Work in Progress**

The Company entered into an agreement with a third party in respect of the production of a motion picture entitled Judas Ghost. The Joint Administrators are currently investigating the nature of this agreement and therefore the recovery of funds from this contract are currently considered uncertain. A further update will follow once investigations have been concluded.

#### **Leasehold Apartment – Flat 7, Mercer Street, London**

On 12 March 2015, the Joint Administrators instructed EA Shaw (now CBRE), specialist valuing agents, to conduct a market appraisal of the leasehold apartment. CBRE are in discussions with the director in order to arrange for access to the apartment so as to conduct an internal inspection, following which, a full appraisal will be provided. It is considered that the location of the apartment in Covent Garden, London will attract significant interest. Therefore, for indicative purposes it is considered that the apartment may fetch circa £700,000-£750,000. However, please be advised

that this is simply based on indicative property prices in the area and the figure should not be relied upon until a formal market appraisal is received from CBRE. The purpose of including an estimate is to simply make creditors aware of the 'potential' asset available to creditors.

It is expected that a market appraisal will be returned by the end of this month. In the interim, ongoing service charges will be paid by the Company.

## **LIABILITIES**

### **Secured creditors**

There are considered to be no secured creditors in this case since the Company held a credit balance at Barclays.

### **Preferential creditors**

Typically, preferential creditors are former employees of the Company for unpaid wages and holiday pay. The Company's employees were transferred to PDI upon completion of the sale and purchase agreement. Under the terms of the sale and purchase agreement and in accordance with the Transfer of Undertakings (Protection of Employment) regulations, the liabilities of employees were transferred to PDI and therefore there are considered to be no preferential creditors in this case. However, should creditors consider that they are entitled to claim as preferential creditors, it will be necessary to contact the Joint Administrators.

### **Unsecured creditors**

The figure for unsecured creditors is based on the information available from the Company records and should be used for indicative purposes only. Please complete the attached documents in order to substantiate your claim.

## **I) BASIS OF REMUNERATION & DISBURSEMENTS FOR ADMINISTRATORS**

### **PRE-ADMINISTRATION COSTS**

The amount of time incurred on pre-appointment advice was 104.90 hours at a total cost of £22,210.00, being an average hourly rate of £211.73. Please refer to **Appendix C(A)** for further information. The advice given covered discussions with agents over the sale strategy to maximise realisations and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. I confirm that no funds have been received in respect of these costs to date. I would confirm that the fees agreed in respect of my pre-appointment advice was the time properly incurred by my staff at our standard charge out rates. It was agreed with the Director that I would seek to have my fees approved and paid following the appointment of the Joint Administrators. All known pre-appointment costs are detailed below,

Description (Pre-Appointment)	Time Costs (ex VAT)	Disbursements (ex VAT)
Opus Restructuring LLP	£22,210.00	Below
DMH Stallard Solicitors	£12,950.00	£27.00
Wyles Hardy & Co	£7,578.75	£163.88

We instructed DMH Stallard Solicitors to draft the sale and purchase agreement with the purchaser PDI, deal with the appointment formalities, the license to assign, personal guarantees and deeds of release in respect of the secured creditor, as well as ad hoc advice.

We instructed Wyles Hardy to carry out an inventory and valuation of the Company's assets on going concern (in situ and ex situ) bases, and to advise us with respect to the offer received by the Company for its business and assets from the purchaser. These pre-administration expenses have been incurred by agents on a time cost basis, plus disbursements.

None of these expenses have been paid.

## POST-ADMINISTRATION COSTS

### Joint Administrators' Remuneration

It is proposed that our fees be charged by reference to the time properly spent by us and our staff in dealing with matters relating to the Administration of the Company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken.

To the date of this report, our time costs amount to £13,167.50, representing 65.30 hours work, at an average charge out rate of £201.65. A breakdown of the total time spent on the affairs of the Company for the period from when it entered administration, 17 February 2015, to the date of these Proposals can be found at **Appendix C(B)**. **Appendix C(C)** contains information about our current charge out rates, our remuneration as Administrators and expenses.

### Solicitor's Fees – DMH Stallard Solicitors

Post appointment time costs of £2,250.00 plus VAT have been incurred for which payment is required.

### Selling Agents

As previously detailed EA Shaw (now CBRE) was instructed to conduct a market appraisal of the apartment. Once conducted, the Joint Administrators will consider the next steps to realise the property and will also agree an agent's fee for doing so. At this point it is too early to predict the likely cost to the Company.

### Joint Administrators' Disbursements

Category 1 Disbursements	Total Incurred £	Total Outstanding £
Advertising	84.60	84.60
INSOLV fee	185.00	185.00
HM Land Registry	6.00	6.00
DocuSoft fee	45.00	45.00
Postage	7.50	7.50
Companies House Searches	6.00	6.00
<b>Totals</b>	<b>334.10</b>	<b>334.10</b>
Category 2 Disbursements	Total Incurred £	Total Outstanding £
Photocopying	4.50	4.50
<b>Totals</b>	<b>4.50</b>	<b>4.50</b>

Approval is also being sought for our category 2 disbursements. The approval of the basis of category 2 expenses forms part of these Proposals, for which approval is being sought, but if a creditors' committee is appointed at the forthcoming meeting of creditors then I will seek approval from that committee instead.

'A Creditor's Guide to Administration Fees' and our charge-out rates policy is attached as **Appendix D** to this report.

### Work Done

The work done by us, and our advisors, in the period leading up to administration was reported in the first notification that we sent to creditors on 23 February 2015, immediately following the commencement of the administration. If any creditor would like a further copy of that notification, please do not hesitate to contact this office.

#### Other persons entitled to claim

We are unaware of any additional costs incurred by other professionals qualified to act as an Insolvency Practitioner in respect of the Company. Should any such claims subsequently come to light, they will be dealt with in the manner provided by the Insolvency Rules.

#### J) DIVIDEND IN RELATION TO THE PRESCRIBED PART

The Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. The prescribed part only applies where the Company has granted a floating charge to a creditor after 15 September 2003. Where a floating charge over the Company's assets has been given a prescribed amount of the Company's net property after paying the preferential creditors and cost and expenses of the Administration, but before paying the lender who holds a floating charge, an Administrator has to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The Company granted a fixed and floating charge to Barclays Bank PLC ('Barclays') on 30 January 2012. The money due to Barclays has been repaid. As a result, the prescribed part provisions will not apply in this instance.

#### K) JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach a summary of my receipts and payments relating to the Company for the period from when it entered administration, 17 February 2015 to 08 April 2015, at **Appendix B** to this report.

To date, the only payments relate to storage costs.

#### L) PURPOSE AND END OF ADMINISTRATION

The primary function of an Administrator is to achieve one of the objectives set out in the Insolvency Act:

- (a) Rescuing the Company as a going concern, or
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors

Certain items of the Company's assets and business have been sold following a pre-packaged ('pre-pack') sale. I confirm that in achieving the pre-pack sale detailed in this letter, it has been possible to achieve objective (b) as detailed above.

Prior to concluding that a pre-pack Administration was the most appropriate course of action for the Company, the following courses of action were considered:

##### *Liquidation*

If the Company had entered into liquidation, it would have resulted in a significantly poorer return to the Company's creditors. A transaction to sell the business and achieve a realisation for goodwill would not have been possible. Trading would have ceased and therefore debtors would have been less likely to pay outstanding monies. In addition, all employees would have been made redundant and therefore the total creditor position would have worsened following their claims for redundancy. There are several long-standing employees which would amount to significant liabilities.

*Company voluntary arrangement*

Monies owed to the unsecured creditors are substantial and therefore, for this option to be achieved, significant fresh working capital would have needed to be injected and this was not possible

*Trading in administration*

The Company did not have a source of funding to facilitate trading under the care of the Joint Administrators. Any break in service would have resulted in the potential loss of contracts. The expertise required in this industry would have meant that specialist input would be required and trading in administration would have required complete co-operation from existing staff.

*Pre-pack administration*

It was considered that any break in trade would quickly result in the business dissipating. The Company had two potential contracts and it was thought that a seamless transaction such as a pre-pack would minimise any effect on customer confidence therefore maximising possible debtor realisations.

The Insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to Court, seek approval of the secured creditor or hold a meeting of creditors, in order to seek approval to extend the duration of the Administration.

**M) EXIT ROUTE**

It is intended that the Administration will end by the Company being placed into Creditors' Voluntary Liquidation with Trevor John Binyon and Timothy John Edward Dolder to be appointed Joint Liquidators. Creditors may nominate a different liquidator provided that nominations to that effect are received before the approval of these Proposals. Any alternative nomination for proposed liquidator will need to be received before the Proposal is approved.

Any act required or authorised under any enactment to be done by the liquidators is to be done by all or any one or more of the persons for the time being holding office.

However, if there are insufficient funds to pay a dividend to creditors, it is proposed that the administration will end by the Company being dissolved.

**N) ADMINISTRATORS' INVESTIGATIONS**

We have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. The Joint Administrators are also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. Please provide any information that you have that may assist me with my duties. I stress that this request for information forms part of my normal investigation procedure.

**O) PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**

In order to achieve the objectives of the Administration of the Company, I propose to monitor the sale consideration payments as per the sale agreement dated 18 February 2015.

The Administrators will continue to liaise with PDI in respect of the sales consideration due under the terms of the sale and purchase agreement. Additionally, further steps will be taken to collect in the book debts and sell the leasehold apartment.

The Administrators will continue to investigate the affairs of the Company and seek to recoup any monies owed to the Company's

**P) WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL (EC REGULATIONS)**

The Company's centre of main interest was at 32 Bedfordbury, London, WC2N 4DU and we therefore consider that the EC Regulations will apply. These proceedings will be main proceedings as defined in Article 3 of the EC Regulation.

**Q) MEETING OF CREDITORS**

We intend to hold a meeting of creditors by correspondence to consider and vote on our proposals, detailed below, to achieve the objective of the Administration of the Company. We enclose formal notice of conduct of business by correspondence (**Form 2 25B**) as **Appendix E** and also a proof of debt form as **Appendix F**. You may only vote at the meeting by correspondence if you complete and return the proof of debt form and Form 2 25B, having completed the voting section of the form. Your completed forms must be received by no later than **12 noon on Monday, 27<sup>th</sup> April 2015**. You are not required to vote at the meeting by correspondence, and if you do not do so then this will not affect your rights against the Company. Creditors whose claims are wholly secured are not entitled to vote at the meeting by correspondence.

Whilst it has been decided to hold a meeting by correspondence, creditors whose debts amount to at least 10% of the total debts of the Company may require an actual meeting of creditors to be called. Such a request must be made on Form 2 21B within 5 business days of the date of these Proposals.

The business of the meeting of creditors by correspondence will consider the following resolutions,

- 1) The Joint Administrators continue to manage the Company's business and realise assets in accordance with objective (b) of the statutory purpose of the Administration, and
  - i sell the Company's assets at such time(s) on such terms as they consider appropriate, and
  - ii investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company, and
  - iii do all such things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- 2) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined below,
  - i If they are of the view that it is appropriate for the Company to move from Administration into liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed liquidators are to be Trevor John Binyon and Timothy John Edward Dolder. Any act to be done by the Joint Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) and

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Rule 2 117A (2)(b) of the Insolvency Rules 1986, creditors may nominate a different person as proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved

- ii If they think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from Administration into liquidation is not appropriate, they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the Company will be deemed to be dissolved
- 3) Creditors consider and if thought fit appoint a creditors' committee to assist the Joint Administrators (such committee must comprise of between 3 and 5 creditors)
- 4) In the absence of a creditors committee, the Joint Administrators' Remuneration plus VAT be based on the time properly incurred by them and their staff in dealing with matters relating to the administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. If the creditors agree the basis of the Administrators' remuneration, it is further agreed that the Joint Administrators be empowered to draw such Remuneration in respect of these costs as funds permit. A schedule of charge out rates are set out in **Appendix C(C)**
- 5) In the absence of a creditors committee, the Joint Administrators be authorised to draw their Category 2 disbursements when they see fit
- 6) In the absence of a creditors committee, mileage can be recharged and drawn at the HM Revenue & Customs' approved mileage rate prevailing at the time the mileage was incurred
- 7) In the absence of a creditors committee, the Joint Administrators shall be authorised to discharge the outstanding pre-appointment fees as set out below, to be paid out of the assets of the Company as and when funds permit,

Description (Pre-Appointment)	Time Costs (ex VAT)	Disbursements (ex VAT)
Opus Restructuring LLP	£22,210 00	Below
DMH Stallard Solicitors	£12,950 00	£27 00
Wyles Hardy & Co	£7,578 75	£163 88

- 8) That the Joint Administrators will be discharged from liability under the Administration, in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986, immediately upon the Joint Administrators filing their final report to creditors

**R) FURTHER INFORMATION**

Should you require any further information relating to these proposals or the Administration of the Company, please do not hesitate to contact Richard Shaw at this office

  
**Trevor John Binyon**  
Joint Administrator

*Authorised to act as an Insolvency Practitioner in the UK by the Association of Chartered Certified Accountants*

*The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents for the Company without personal liability*

**APPENDIX A(A)**

**STATEMENT OF AFFAIRS AS AT 17 FEBRUARY 2015**

**PEERLESS CAMERA COMPANY LIMITED**  
**IN ADMINISTRATION**  
**ESTIMATED STATEMENT OF AFFAIRS AS AT 17 FEBRUARY 2015**

APPENDIX A (A)

**SUMMARY OF ASSETS**

**Assets Not Specifically Pledged**

Goodwill  
Customer Contracts  
Seller's Records  
Business Intellectual Property  
Domain Name  
Software Licence  
Plant & Machinery  
Rent Apportionment - 32 Bedfordbury  
Cash at Bank  
Earn out Consideration  
Book Debts  
Unbilled Work in Progress  
Leasehold Apartment - Flat 7 Mercer Street, London\*

\* for estimation purposes only. Valuing agents instructed to value the property

**Estimated total assets available for preferential creditors**

**SUMMARY OF LIABILITIES**

**Preferential Creditors**

n/a  
Total Preferential Claim  
Estimated deficiency/surplus as regards preferential creditors

**Estimated total assets available for floating charge holders**

Debts secured by floating chargeholder  
Barclays Bank plc  
**Estimated deficiency/surplus of assets after floating charge**

**Total assets available to unsecured creditors**  
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)  
Employees' Claims  
Director's Loan - Kent Houston  
HM Revenue & Customs - PAYE  
HM Revenue & Customs - VAT  
Other Trade & Expense Creditors

**Estimated surplus/deficiency as regards non-preferential creditors (excluding shortfall to floating charge holders)**

Deficiency as regards floating chargeholder b/d

**Total surplus (deficiency)/shortfall to non-preferential creditors (including floating chargeholder)**

**Issued and Called up Capital**  
Ordinary Shares

**Estimated total deficiency/surplus as regards members**

Book Value	Estimated to Realise
£	£
1	1
1	1
1	1
1	1
7,000	7,000
7,000	7,000
56,000	56,000
7,261	7,261
88	88
uncertain	uncertain
145,147	7,537
270,000	uncertain
750,000	750,000
<b>1,242,500</b>	<b>834,890</b>
	<b>834,890</b>
n/a	-
	<b>834,890</b>
	<b>834,890</b>
	<b>834,890</b>
(1,093,095)	
(968,861)	
(203,587)	
<b>(529,850.00)</b>	<b>(2,795,393)</b>
	<b>(1,960,503)</b>
	<b>-</b>
	<b>(1,960,503)</b>
(100)	<b>(100)</b>
	<b>(1,960,603)</b>

**APPENDIX A(B)**  
**SCHEDULE OF POTENTIAL CREDITORS**

## COMPANY CREDITORS

Name of creditor or claimant	Address (with postcode)	Amount of debt	Details of any security held by creditor	Date security given	Value of security £
ADK Kooling	19a Park Road, Middlesex, UB4 8JN	£129 00			0
Barclaycard	The Bankruptcy Team, PO Box 5402, Northampton, NN4 1ZR	£19,658 81			0
British Gas	Payment Area, 60 Camberley Way, Surrey, GU95 1AW	£145 85			0
British Telecom	Contact rentals 2630, The Quadrant, Aztec West, Bristol, BS32 4GQ	£1,039 47			0
Cinefinance	To be advised	£277,090 36			0
Crystal Services	Unit 6 Loughton Business Centre, Langston Road, Loughton, Essex, IG10 3SD	£348 00			0
DOC & A SOC Ltd	11 Cautley Avenue, Clapham Common Southside, London, SW4 9HX	£166,402 00			0
EDF Bedfordbury	EDF Energy 334 Outland Road, Plymouth, PL3 5TU	£21,902 35			0
EDF Mercer St	EDF Energy, 334 Outland Road, Plymouth, PL3 5TU	£332 02			0
FLR Spectron Ltd	Enterprise House Unit 4, Orpington Trade Centre, Murray Road, Orpington, Kent, BR5 3SS	£160 01			0
HM Revenue & Customs	Enforcement & Insolvency, Durrington Bridge House, Barrington House, Worthing, West Sussex, BN12 4SE	£203,587 40			0
HM Revenue & Customs	Insolvency Claims Handling Unit (ICHU), Benton Park View, Longbenton Newcastle, Newcastle, NE98 1ZZ	£968,861 21			0

## COMPANY CREDITORS

Name of creditor or claimant	Address (with postcode)	Amount of debt	Details of any security held by creditor	Date security given	Value of security £
Initial Textile Services	Initial Washroom Hygiene, PO Box 4975, Dudley, DY1 9FA	£415 33			0
Kaveh Montazer	To be advised	£260 00			0
Luckings	Boston House, 69-75 Boston Manor Road, Brentford, Middlesex, TW8 9JJ	£547 50			0
Mode	Mode House, Thundridge Business Park, Thundridge, Hertfordshire, SG14 0SS	£411 63			0
Mr Kent Houston	Flat 7, 19 Mercer Street, London, WC2H 9QR	£1,093,095 81			0
Mr Terence Gilliam	Old Hall South Grove, London, N6 6BP	£6,815 00			0
Optical Express	5 Deerdyke Road, Westfield Ind Estate, Cumbernauld, G68 9HF	£210 00			0
PHS Teacrate	151 Srubs Lane, London, NW10 6RH	£215 28			0
Pickfords Storage	Laxon Close, London, NW10 0TG	£150 48			0
Shipleys LLP	10 Orange Street, London, WC2H 7DQ	£21,417 70			0
Westminster NNDR	PO BOX 187, Enth, DA8 9EY	£12,198 00			0
Totals		£2,795,393 21			0

**APPENDIX B**

**RECEIPTS & PAYMENTS ACCOUNT FROM 17 FEBRUARY 2015 TO 08 APRIL 2015**

**Peerless Camera Company Limited (in administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

**From 17 February 2015 to 8 April 2015**

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**£**

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**RECEIPTS**

Plant & Machinery	35,002 00
Rent Apportionment - 32 Bedfordbury	7,261 24
	<hr/> 42,263 24

**PAYMENTS**

Storage Costs	130 40
Vat Receivable	26 08
	<hr/> 156 48

**CASH IN HAND**

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42,106 76

**APPENDIX C(A)**

**PRE-APPOINTMENT TIME COSTS**

# APPENDIX C(A)

## Pre-Appointment Remuneration Schedule Peerless Camera Company Limited Between 14 October 2014 and 17 February 2015

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	0 00	0 50	54 40	1 80	56 70	8,465 00	149 29
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case Specific Matters	0 00	0 00	0 00	1.60	1 60	160 00	100 00
Pre Appointment	26 00	20 50	0 00	0 10	46 60	13,585 00	291 52
<b>Total hours</b>	<b>26 00</b>	<b>21 00</b>	<b>54 40</b>	<b>3 50</b>	<b>104 90</b>		
<b>Time costs</b>	<b>8,450 00</b>	<b>5,250 00</b>	<b>8,160 00</b>	<b>350 00</b>	<b>22,210 00</b>		
<b>Average hourly rate</b>	<b>325 00</b>	<b>250 00</b>	<b>150 00</b>	<b>100 00</b>	<b>211 73</b>		

Description	Total Incurred £	Total Recovered £
	0 00	0 00
<b>Totals</b>	<b>0.00</b>	<b>0 00</b>

### Summary of Fees

Time spent in administering the Assignment	Hours	104 90
Total value of time spent to 08 April 2015	£	22,210 00
Total Pre Appointment fees charged to 08 April 2015	£	0 00

**APPENDIX C(B)**

**POST-APPOINTMENT TIME COSTS**

APPENDIX C(B)

Post- Administration  
Joint Administrators' Remuneration Schedule  
Peerless Camera Company Limited  
Between 17 February 2015 and 08 April 2015

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	0 00	8 90	32 40	5 00	46 30	7,625 00	164 69
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	12 50	4 40	0 00	0 00	16 90	5,137 50	303 99
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 90	1 20	0 00	2 10	405 00	192 86
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre Appointment	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total hours</b>	12 50	14 20	33 60	5 00	65 30		
<b>Time costs</b>	4,062 50	3,525 00	5,040 00	540 00	13,167 50		
<b>Average hourly rate</b>	325 00	248 24	150 00	108 00	201 65		

Description	Total Incurred £	Total Recovered £
CAT 1 Advertising	84 60	0 00
CAT 1 INSOLV fee	185 00	0 00
CAT 1 Company House Fee	6 00	0 00
CAT1 Land Registry	6 00	0 00
CAT 1 DocuSoft fee	45 00	0 00
CAT 2 Photocopying	4 50	0 00
CAT 1 Postage	7 50	0 00
<b>Totals</b>	<b>338.60</b>	<b>0 00</b>

Summary of Fees

Time spent in administering the Assignment	Hours	65 30
Total value of time spent to 08 April 2015	£	13,167 50
Total Joint Administrators' fees charged to 08 April 2015	£	0 00

**APPENDIX C(C)**

**OPUS RESTRUCTURING LLP – CHARGE OUT POLICY**

**Opus Restructuring LLP****Information relating to the Joint Administrators' Fees and Expenses****Explanation of Joint Administrators' charging and disbursement recovery policies****Time recording**

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	Rate since 9 1 2013 £
Partner	325
Senior Manager/Director	275
Assistant Manager / Manager	200 - 250
Junior Administrator / Administrator / Senior Administrator	100 - 175
Cashier	125
Support Staff	75

**Disbursement recovery**

Disbursements are categorised as either Category 1 or 2. Category 2

Category 1 disbursements will generally comprise of external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case, (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by Opus Restructuring LLP and are recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, all business mileage (for cases commencing on or after 1 November 2011), internal room hire and internal storage.

The current levels of Category 2 disbursements recovered by Opus Restructuring LLP are as follows:

	£
Room Hire (for internal room hire outside of London and London)	100 / 150
Photocopying/scanning/faxes (internal)	10p per side
Business mileage per mile	45p
Smartsearch per search	4
File set-up cost (per file)	6
Company Searches (downloading and printing documents)	10

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

**APPENDIX D**

**A CREDITORS' GUIDE TO ADMINISTRATORS' FEES**

## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

### ENGLAND AND WALES

#### 1 Introduction

- 1 1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explain the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

#### 2 The nature of administration

- 2 1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors

#### 3 The creditors' committee

- 3 1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

#### 4 Fixing the administrator's remuneration

- 4 1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount,

to determine that amount Rule 2 106 says that in arriving at its decision the committee shall have regard to the following matters

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with

4 2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4 3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment

4 3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors –
  - each secured creditor of the company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company

4 4 A resolution of creditors may be obtained by correspondence

## **5. Review of remuneration**

5 1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval

## **6 Approval of pre-administration costs**

6 1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals

6 2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be

insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

## **7 What information should be provided by the administrator?**

### **7.1 When seeking remuneration approval**

- 7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case.

- 7.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

- 7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent.

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff.

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases

- 7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff

## **7.2 After remuneration approval**

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

## **7.3 Disbursements and other expenses**

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

## **8 Progress reports and requests for further information**

- 8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done

during those periods, irrespective of whether payment was actually made during the period of the report,

- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8 2, and their right to challenge the administrator's remuneration and expenses

8 2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court

8 3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

## **9 Provision of information – additional requirements**

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office

## **10 What if a creditor is dissatisfied?**

101 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

10 2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing

- 10 3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

## **11 What if the administrator is dissatisfied?**

- 11 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

## **12 Other matters relating to remuneration**

- 12 1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 12 2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 12 3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12 4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

## **13 Effective date**

This guide applies where a company enters administration on or after 6 April 2010, except where

- the application for an administration order was made before that date, or
- where the administration was preceded by a liquidation which commenced before that date

**APPENDIX E**

**FORM 2.25 B - MEETING BY CORRESPONDENCE**

**Rule 2 48****Notice of conduct of business by correspondence**

Name of Company

Company number

Peerless Camera Company Limited

01294280

In the  
High Court of Justice, Chancery Division  
(full name of court)

*Court case number*  
948 of 2015

(a) Insert full name(s)  
and address(es) of  
administrator(s)

Notice is hereby given by (a) Trevor John Binyon of Opus Restructuring LLP  
and Timothy John Edward Dolder both of Opus Restructuring LLP, One Euston  
Square, 40 Melton Street, London, NW1 2FD

(b) Insert full name  
and address of  
registered office of the  
company

To the creditors of (b) Peerless Camera Company Limited c/o One Euston  
Square, 40 Melton Street, London, NW1 2FD

(c) Insert number of  
resolutions enclosed

That, pursuant to paragraph '58 of Schedule B1 to the Insolvency Act 1986,  
enclosed are (c) 12 resolutions for your consideration Please indicate below  
whether you are in favour or against each resolution

(d) Insert address to  
which form is to be  
delivered

This form must be received at (d) Opus Restructuring LLP, One Euston Square,  
40 Melton Street, London, NW1 2FD

(e) Insert closing date

By 12 00 hours on (e) **Monday, 27<sup>th</sup> April 2015** in order to be counted It must  
be accompanied by details in writing of your claim unless those details have  
already been submitted for the purpose of a meeting of creditors Failure to do  
so will lead to your vote(s) being disregarded

Repeat as necessary  
for the number of  
resolutions attached

**Resolution 1**

- a) The Joint Administrators continue to manage the Company's business and realise assets in accordance with objective 2 of the statutory purpose of the Administration, and

**I am \*in Favour/Against**

**Resolution 2**

- i sell the Company's assets at such time(s) on such terms as they consider appropriate, and

**I am \*in Favour/Against**

**Resolution 3**

- ii investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company, and

**I am \*in Favour/Against**

**Resolution 4**

- iii do all such things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals

**I am \*in Favour/Against**

- b) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined below,

**Resolution 5**

- i If they are of the view that it is appropriate for the Company to move from Administration into liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed liquidators are to be Trevor John Binyon and Timothy John Edward Dolder. Any act to be done by the Joint Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) and Rule 2.117A (2)(b) of the Insolvency Rules 1986, creditors may nominate a different person as proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

**I am \*in Favour/Against**

#### **Resolution 6**

- “ If they think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from Administration into liquidation is not appropriate, they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the Company will be deemed to be dissolved

**I am \*in Favour/Against**

#### **Resolution 7**

- c) Creditors consider and if thought fit appoint a creditors' committee to assist the Joint Administrators (such committee must comprise of between 3 and 5 creditors)

**I am \*in Favour/Against**

#### **Resolution 8**

- d) In the absence of a creditors committee, the Joint Administrators' Remuneration plus VAT be based on the time properly incurred by them and their staff in dealing with matters relating to the administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. If the creditors agree the basis of the Administrators' remuneration, it is further agreed that the Joint Administrators be empowered to draw such Remuneration in respect of these costs as funds permit. A schedule of charge out rates are set out in **Appendix C(C)**

**I am \*in Favour/Against**

#### **Resolution 9**

- e) In the absence of a creditors committee, the Joint Administrators be authorised to draw their Category 2 disbursements when they see fit

**I am \*in Favour/Against**

#### **Resolution 10**

- f) In the absence of a creditors committee, mileage can be recharged and drawn at the HM Revenue & Customs' approved mileage rate prevailing at the time the mileage was incurred

**I am \*in Favour/Against**

### Resolution 11

- g) In the absence of a creditors committee, the Joint Administrators shall be authorised to discharge the outstanding pre-appointment fees as set out below, to be paid out of the assets of the Company as and when funds permit,

Description (Pre-Appointment)	Time Costs (ex VAT)	Disbursements (ex VAT)
Opus Restructuring LLP	£22,210 00	Below
DMH Stallard Solicitors	£12,950 00	£27 00
Wyles Hardy & Co	£7,578 75	£163 88

I am \*in Favour/Against

### Resolution 12

- a) That the Joint Administrators will be discharged from liability under the Administration, in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986, immediately upon the Joint Administrators filing their final report to creditors

I am \*in Favour/Against

### TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name Of  
Creditor \_\_\_\_\_

Creditor  
Signature \_\_\_\_\_

If you require any further details or clarification prior to returning your votes, please contact me/us at the address above

Signed \_\_\_\_\_  
Joint Administrator(s)

Dated 8 April 2015

**APPENDIX F**

**PROOF OF DEBT**

## Proof of Debt – General Form

<b>Peerless Camera Company Limited - In Administration</b>		
Date of administration 17 February 2015		
1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
<b>For Administrators' Use only</b>		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator